

STATE OF NEW HAMPSHIRE  
DEPARTMENT OF STATE  
BUREAU OF SECURITIES REGULATION  
25 CAPITOL STREET  
CONCORD, NH 03301

**CONSENT ORDER**

Richard M. Higgins (CRD#4450943)

I-2014-000016

- I. For purposes of settling the above-referenced matter and in lieu of further administrative proceedings, Richard M. Higgins has submitted an offer of settlement, which the State of New Hampshire, Department of State, Bureau of Securities Regulation (hereinafter the "Bureau") has determined to accept. Accordingly, Richard M. Higgins does hereby admit to the following Statement of Facts and Statements of Law:

**STATEMENT OF FACTS**

1. Richard M. Higgins ("Higgins") is a New Hampshire resident who currently resides in Stratham, New Hampshire. From September 3, 2001 through June 29, 2007, Higgins was employed as a licensed registered representative in the State of New Hampshire for two different licensed broker-dealers. As of June 29, 2007, Higgins was no longer licensed as a securities professional in any capacity in the State of New Hampshire or elsewhere.
2. Higgins Equity Partners, LLP ("HEP") was a New Hampshire limited liability partnership created by Higgins on February 13, 2007. Higgins offered and sold limited partnership interests in HEP. According to the registration document filed with the State of New Hampshire, Department of State, Corporation Division, HEP was engaged in the business of "private equity investing." However, Higgins and HEP failed to pay annual fees in 2008 and 2009 as required under N.H. RSA 304-A:47 and HEP was administratively dissolved on September 1, 2009.

3. Higgins Capital Management (“HCM”) was a trade name registered by Higgins with the State of New Hampshire, Department of State, Corporation Division on February 13, 2007. According to the registration document filed with the State of New Hampshire, Department of State, Corporation Division, HCM was engaged in the business of “trading securities.” According to the State of New Hampshire, Department of State, Corporation Division, the HCM trade name is currently inactive for failing to pay annual renewal fees. It is important to note that the HCM trade name was registered by Higgins in his individual capacity and not as a trade name for HEP.
4. After receiving a tip, the Bureau commenced an investigation of Higgins in May 2014. The Bureau quickly learned that Higgins was investing other people’s money for a fee (requiring registration as an Investment Advisor pursuant to N.H. RSA 421-B:6) and employing a very risky strategy with their funds. The Bureau learned that Higgins had purchased 3,750 shares of ProShares UltraShort S&P500 (Ticker: “SDS”), which is a high risk leveraged and inverse exchange traded fund. As stated above, Higgins was no longer licensed as a securities professional in any capacity in the State of New Hampshire since June 29, 2007.
5. On June 17, 2014 Higgins entered into an Interim Consent Order with the Bureau whereby he agreed to immediately liquidate the 3,750 shares of SDS and assented to a voluntary freeze of the proceeds in the TradeStation account in which the shares were held for the future distribution to those who invested with Higgins. The cash position that was frozen in the TradeStation account was ninety-nine thousand, one hundred and sixteen dollars, and thirty-one cents (\$99,116.31). Higgins also agreed not to withdraw or cause to be withdrawn any of the ten thousand, four dollars, and sixty-eight cents (\$10,004.68) left in the HCM Merrimack County Savings Bank account. At the time of this Interim Consent Order, Higgins had, in total, one hundred and nine thousand, one hundred twenty dollars, and ninety-nine cents (\$109,120.99) of the over eight hundred and eighty thousand dollars (\$880,000) of the principal invested with Higgins, net of withdrawals, as will be discussed in greater detail below.

6. On November 4, 2014 Higgins entered into another Interim Consent Order with the Bureau whereby he agreed to the pro rata distribution of the one hundred and nine thousand, one hundred twenty dollars, and ninety-nine cents (\$109,120.99) remaining to the investors, as will be discussed in greater detail below.

*The Investors*

7. Investor #1 is a retiree from Boscawen, New Hampshire and is sixty-seven years old. Investor #1 first met Higgins while Higgins was a licensed registered representative of a broker-dealer in the mid-2000's. Investor #1 maintains that she has always had a moderate risk tolerance and little investment experience.
  - a. On or about February 13, 2007, Investor #1 decided to invest in HEP and gave Higgins a check for thirty thousand dollars (\$30,000). In February 2010, Investor #1 invested an additional sixty thousand dollars (\$60,000) with Higgins.
  - b. Investor #1 withdrew three thousand dollars (\$3,000) from her investment with Higgins in 2009, withdrew another three thousand dollars (\$3,000) from her investment with Higgins in 2010, and withdrew an additional eight thousand dollars (\$8,000) in 2014, leaving Investor #1 with a total net investment in HEP of seventy-six thousand dollars (\$76,000). After receiving her distribution pursuant to the November 4, 2014 Interim Consent Order, Investor #1's total losses are sixty-six thousand, six hundred and forty-four dollars, and seventy-four cents (\$66,644.74).
8. Investor #2 is a retiree from Concord, New Hampshire and is eighty-four years old. Investor #2 has known Higgins since the two were neighbors in the 1970's. Higgins was Investor #2's investment adviser while Higgins was employed as a licensed registered representative for two different licensed broker-dealers in the mid 2000's. Investor #2 has always considered herself a moderate investor and wanted Higgins to invest in safe products that provided returns slightly better than the bank issued certificates of deposit that she was used to.
  - a. On or about February 20, 2007, Investor #2 decided to invest with Higgins and gave Higgins a check for eighty thousand dollars (\$80,000). As Investor #2 never

withdrew funds, her total net investment remains at eighty thousand dollars (\$80,000). After receiving her distribution pursuant to the November 4, 2014 Interim Consent Order, Investor #2's total losses are seventy thousand, one hundred fifty-two dollars, and thirty-six cents (\$70,152.36).

9. Investor #3 is a retiree from Canterbury, New Hampshire and is sixty-seven years old. Investor #3 was introduced to Higgins in 2006. Investor #3 maintains that she has very limited investment experience and that she, prior to investing with Higgins, had all her investments in conservative mutual funds.
  - a. On or about March 21, 2007, Investor #3 decided to invest with Higgins and gave Higgins a check for forty-seven thousand dollars (\$47,000). On or about April 16, 2007, Investor #3 invested an additional eighteen thousand dollars (\$18,000) with Higgins.
  - b. Investor #3 withdrew ten thousand dollars (\$10,000) in February 2009, ten thousand dollars (\$10,000) in October 2010, and two thousand five hundred dollars (\$2,500) in November 2011. Factoring in these withdrawals, Investor #3's net investment with Higgins is forty-two thousand five hundred dollars (\$42,500). After receiving her distribution pursuant to the November 4, 2014 Interim Consent Order, Investor #3's total losses are thirty-seven thousand, two hundred sixty-eight dollars, and forty-four cents (\$37,268.44).
  
10. Investor #4 is a retiree from Canterbury, New Hampshire and is sixty-six years old. Investor #5, Investor #4's wife, is also a retiree from Canterbury, New Hampshire and is sixty-six years old. Investor #4 and #5 first met Higgins in 2006 while Higgins was a licensed registered representative of a broker-dealer. Investor #4 considers himself to be a conservative to moderate risk taker despite an account application he signed indicating that he was a high risk taker. Investor #5 considers herself a moderate risk taker.
  - a. On or about March 21, 2007, Investor #4 decided to invest in the HEP and gave Higgins a check for nineteen thousand dollars (\$19,000). On or about April 16, 2007, Investor #4 invested an additional six thousand dollars (\$6,000) with Higgins. On or about August 20, 2007, Investor #5 decided to invest in HEP and gave Higgins a check for thirty thousand dollars (\$30,000).

- b. Investor #4 and Investor #5 total combined investments with Higgins was fifty-five thousand dollars (\$55,000). From November 2007 through May 2014, Investor #4 and #5 withdrew a combined total of thirty-eight thousand, six hundred dollars (\$38,600), leaving a total combined net investment of sixteen thousand and four hundred dollars (\$16,400).
- c. After receiving their distribution pursuant to the November 4, 2014 Interim Consent Order, Investor #4 and Investor #5's total combined losses are fourteen thousand, three hundred eighty-one dollars, and twenty-three cents (\$14,381.23).

11. Investor #6 is from Concord, New Hampshire and is sixty-one years old. Investor #6 first met Higgins in the early 2000's while Higgins was a licensed registered representative of a broker-dealer. Investor #6 maintains that he has always maintained a low to moderate risk tolerance.

- a. On or about February 20, 2007, Investor #6 decided to invest with Higgins and gave Higgins a check for one hundred and fifty thousand dollars (\$150,000). On or about May 2, 2007, Investor #6 invested an additional fifteen thousand five hundred seventy-four dollars and thirty-three cents (\$15,574.33) with Higgins.
- b. On or about February 28, 2011, Investor #6 invested an additional twenty five thousand dollars (\$25,000) with Higgins.
- c. On or about October 15, 2011, Investor #6 invested an additional twelve thousand dollars (\$12,000) with Higgins and, on or about December 15, 2011, Investor #6 invested an additional two hundred and ninety-five thousand dollars (\$295,000) with Higgins.
- d. Investor #6 invested a total of four hundred ninety-seven thousand, five hundred seventy-four dollars and thirty-three cents (\$497,574.33). Investor #6 never made any withdrawals. After receiving his distribution pursuant to the November 4, 2014 Interim Consent Order, Investor #6's total losses are four hundred thirty-six thousand, three hundred twenty-five dollars, and eighteen cents (\$436,325.18).

12. Investor #7 is related to Higgins and resides in East Berne, New York. On or about May 2, 2007, Investor #7 invested seventy thousand dollars (\$70,000) with Higgins and on or

about May 12, 2008 Investor #7 withdrew eleven thousand dollars (\$11,000). Investor #7 had a total net investment of fifty-nine thousand dollars (\$59,000) with Higgins. After receiving her distribution pursuant to the November 4, 2014 Interim Consent Order, Investor #7's losses total fifty-one thousand, seven hundred thirty-seven dollars, and thirty-seven cents (\$51,737.37).

13. Investor #8 is related to Higgins and resides in Selkirk, New York. On or about February 23, 2007, Investor #8 invested one hundred and fifteen thousand dollars (\$115,000) with Higgins. No later withdrawals were made. After receiving her distribution pursuant to the November 4, 2014 Interim Consent Order, Investor #8's losses total one hundred thousand, eight hundred forty-three dollars, and ninety-one cents (\$100,843.91).
14. Investor #9 is from Webster, New Hampshire. On or about May 15, 2007, Investor #9 invested fifty thousand dollars (\$50,000) with Higgins. Subsequently, after questioning Higgins regarding concerns she had over the HEP, Investor #9 decided to cease her relationship with Higgins and withdrew all of her invested funds on or about August 9, 2007. Investor #9 also received a check for four thousand nine hundred and fifty-seven dollars (\$4,957) from Higgins for purported gains in her account.

#### *Fraudulent Quarterly Statements*

15. The Bureau received several quarterly statements from Investor #1, #2, #3, #4, #5, and #6 that each had received directly from Higgins. Each of these investors told the Bureau that they relied on these quarterly statements when deciding to keep their monies invested with Higgins and, in some instances, when deciding to invest more money with Higgins. The Bureau compared these quarterly statements to the TradeStation and Merrimack County Savings Bank accounts, where investor funds were deposited or held, and quickly determined that the quarterly statements provided to investors were inaccurate. From at least December 2009 through March 2014, while Higgins was suffering significant investment losses and still taking fees for himself, Higgins was sending fraudulent quarterly statements to Investor #1, #2, #3, #4, #5, and #6 showing inflated gains in their

investments.

*Other Fraudulent Acts*

16. Investor #1, #2, #3, #4, #5, and #6 all believed that they were investing with Higgins through HEP. Higgins, however, informed the Bureau in a letter dated June 2, 2014 that HEP was abandoned early in 2007 as it was determined, according to Higgins, to be too complicated for tax purposes. For over seven years these investors believed they were investing with HEP when in reality Higgins had deposited their funds in a bank and brokerage account in the name of HCM for which he was sole proprietor. When they questioned Higgins about taxes, Higgins informed the investors that he was paying the taxes on their behalf, even though the Private Placement Memorandum provided to investors maintained that the HEP would report individual results on Schedule K-1 of Form 1065. Higgins never obtained a federal tax identification number for HEP which he would have needed to file and pay taxes on behalf of the investors.
17. There is not and never has been an HEP bank or brokerage account. Higgins explained to the Bureau by letter dated June 2, 2014 that investor funds were deposited in HCM's Merrimack County Savings Bank account and transferred to and from HCM's TradeStation account. HCM is nothing more than a trade name registered by Higgins individually and the investor funds were deposited into accounts solely controlled by Higgins personally. Furthermore, it appears that Higgins, in his individual capacity, paid eighty-eight thousand, fourteen dollars (\$88,014) in taxes on his 2008 individual tax return for personal trading gains in the brokerage account, albeit with the investors funds.
18. Investor #1, #2, #3, #4, #5, and #6 all understood that Higgins would be receiving a fee for managing their funds but there was very little, if any, discussion about fees between Higgins and his investors. The HEP Limited Liability Partnership Agreement given to these investors indicates that Higgins' fee would be "two percent of the gross capital" as a "general and administrative fee," as well as "seventy eight thousand dollars (prorated monthly) or twenty percent of the Partnership's profit; whichever is greater, during the fiscal year." Investor #1, #2, #3, #4, #5, and #6 never received any invoices to show fees

being paid to Higgins. As HEP was abandoned in 2007, none of the provisions of the HEP Limited Liability Partnership Agreement were effective during much of the relevant time period. Furthermore, Higgins never notified any of the investors when fees were taken or how much the fees would be.

19. Higgins never disclosed to Investor #1, #2, #3, #4, #5, or #6 that after June 2007 he was not properly licensed to act as their investment adviser, though Higgins maintains that he mistakenly believed such licensing was not required. Furthermore, Higgins failed to disclose that investor monies would be invested in a very speculative and high risk manner and failed to disclose that he was suffering significant losses for several years.

Accounting of Investor funds

20. As discussed above, Investor #9 received all of her money back, plus interest. Investor #1, #2, #3, #4, #5, #6, #7, and #8 deposited a total of nine hundred seventy-two thousand, five hundred seventy-four dollars, and thirty three cents (\$972,574.33) with Higgins. As Investor #1, #2, #3, #4, #5, #6, #7, and #8 withdrew a combined total of eighty-six thousand, one hundred dollars (\$86,100), their combined investment with Higgins, net of all withdrawals, totals eight hundred eighty-six thousand, four hundred seventy-four dollars, and thirty three cents (\$886,474.33).
21. As discussed above, Higgins agreed in the Interim Consent Order dated November 4, 2014 to a pro rata distribution of the remaining funds. With this distribution representing all of the remaining assets, total losses incurred by Investor #1, #2, #3, #4, #5, #6, #7, and #8 for monies invested directly with Higgins total seven hundred seventy-seven thousand, three hundred fifty-three dollars, and twenty-three cents (\$777,353.23). A summary of each investors' losses, net of withdrawals, is as follows:

Investor #1:	\$66,644.74
Investor #2:	\$70,152.36
Investor #3:	\$37,268.44
Investor #4 and #5:	\$14,381.23
Investor #6:	\$436,325.18
Investor #7:	\$51,737.37



Investor #8:	<u>\$100,843.91</u>
Total:	\$777,353.23

22. A review of HCM's Merrimack County Savings Bank account revealed that from February 2007 through May 2014, Higgins only deposited sixteen thousand two hundred and seventy dollars (\$16,270) of his own personal funds into the account. During the same timeframe, Higgins withdrew a total of four hundred thirty-six thousand four hundred seventy dollars (\$436,470), leaving a net withdrawal total of four hundred twenty thousand two hundred dollars (\$420,200). This figure includes the taxes paid by Higgins from trading profits of HCM referenced in paragraph 17 above.
23. A review of Higgins' other personal bank accounts and sworn financial affidavit dated July 1, 2014 reveals little to no personal assets remaining.
24. All the transaction dates and amounts discussed in detail above were confirmed by a forensic financial examination of HCM's TradeStation and Merrimack County Savings Bank accounts by the Bureau.

#### STATEMENTS OF LAW

1. Higgins is a "person" within the meaning of N.H. RSA 421-B:2, XVI.
2. Higgins is an "investment adviser" within the meaning of N.H. RSA 421-B:2, IX.
3. Higgins is a "broker-dealer" within the meaning of N.H. RSA 421-B:2, III.
4. Pursuant to N.H. RSA 421-B:3, it is unlawful for any person, in connection with the offer, sale, or purchase of any security, directly or indirectly: (a) To employ any device, scheme, or artifice to defraud; (b) To make any untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading; or (c) To engage in any act,

practice, or course of business which operates or would operate as a fraud or deceit upon any person. Higgins is in violation of this provision and committed fraud by disseminating false quarterly statements to Investor #1, #2, #3, #4, #5, and #6, depositing their funds into an improper business account, taking an unreasonable fee, and failing to disclose his lack of proper licensure.

5. Pursuant to N.H. RSA 421-B:3-a, in recommending to a customer the purchase, sale, or exchange of a security, a broker-dealer or broker-dealer agent must have reasonable grounds for believing that the recommendation is suitable for the customer upon the basis of the facts, if any, disclosed by the customer after reasonable inquiry as to his or her other security holdings and as to his or her financial situation and needs. Higgins is subject to and in violation of this provision for recommending to Investor #1, #2, #3, #4, #5, and #6 high risk securities without reasonable grounds for believing that the recommendation is suitable.
6. Pursuant to N.H. RSA 421-B:4, I, it is unlawful for any person who receives any consideration from another person primarily for advising the other person as to the value of securities or their purchase or sale whether through the issuance of analyses or reports or otherwise: (a) To employ any device, scheme, or artifice to defraud another person; or (b) To engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon the other person. Higgins is in violation of this provision and committed fraud by disseminating false quarterly statements to Investor #1, #2, #3, #4, #5, and #6, depositing their funds into an improper business account, taking an unreasonable fee, and failing to disclose his lack of proper licensure.
7. Pursuant to N.H. RSA 421-B:6, I, it is unlawful for any person to transact business in this state as a broker-dealer, investment adviser, or agent unless such person is licensed under N.H. RSA 421-B or exempt from licensing. Higgins is subject to and in violation of this provision for not being properly licensed as a broker-dealer, investment adviser or agent for Investor #1, #2, #3, #4, #5, #6, #6a, #7, #8, and #9.
8. Pursuant to N.H. RSA 421-B:10, I(a) and (b)(2), the secretary of state may by order bar any

license if he or she finds that the order is in the public interest and that the licensee has willfully violated or failed to comply with any provision of this title. Higgins is subject to this provision.

9. Pursuant to N.H. RSA 421-B:22, IV, in any investigation to determine whether any person has violated or is about to violate this title or any rule or order under this title, upon the secretary of state's prevailing at hearing, or the person charged with the violation being found in default, or pursuant to a consent order issued by the secretary of state, the secretary of state shall be entitled to recover the costs of the investigation, and any related proceedings, including reasonable attorney's fees, in addition to any other penalty provided for under this chapter. Higgins is subject to this provision.
  10. Pursuant to N.H. RSA 421-B:23, whenever it appears to the secretary of state that any person has engaged or is about to engage in any act or practice constituting a violation of this chapter or any rule under this chapter, he shall have the power to issue and cause to be served upon such person an order requiring the person to cease and desist from violations of this chapter. Higgins is subject to this provision.
  11. Pursuant to N.H. RSA 421-B:26, III, any person who, either knowingly or negligently, violates any provisions of this chapter may, upon hearing, and in addition to any other penalty provided for by law, be subject to such suspension, revocation or denial of any registration or license, or an administrative fine not to exceed \$2,500, or both. Each of the acts specified shall constitute a separate violation. Higgins is subject to this provision.
  12. Pursuant to N.H. RSA 421-B:26, V, after notice and hearing, the Secretary of State may enter an order of rescission, restitution, or disgorgement directed to a person who has violated N.H. RSA 421-B. Higgins is subject to this provision.
- II. Also for purposes for settling the above-referenced matter and in lieu of further administrative proceedings, the Bureau alleges the following Additional Statement of Facts and Additional Statements of Law, to which Higgins neither admits nor denies:

### ADDITIONAL STATEMENT OF FACTS

1. In addition to the funds invested directly with Higgins discussed above, Higgins also managed Investor #5's, Investor #6's, and Investor #6's wife's (hereinafter referred to as Investor #6a) Scottrade brokerage accounts. Two significant differences between Higgins' management of the Scottrade accounts versus the activity discussed above is that, with the Scottrade accounts, Higgins did not have custody of the funds and did not receive separate fees or compensation from the investors.
2. In Investor #5's, Investor #6's and Investor #6a's Scottrade accounts, Higgins purchased high risk securities, including leveraged and inverse ETFs. Higgins caused these accounts to suffer the following losses:

Investor #5:	\$14,376.42
Investor #6:	\$140,979
<u>Investor #6a:</u>	<u>\$63,724.77</u>
Total:	\$219,080.19

3. Total losses, including the losses incurred in the Scottrade accounts, are as follows:

Investor #1:	\$66,644.74
Investor #2:	\$70,152.36
Investor #3:	\$37,268.44
Investor #4 and #5:	\$28,757.65
Investor #6:	\$577,304.18
Investor #6a:	\$63,724.77
Investor #7:	\$51,737.37
<u>Investor #8:</u>	<u>\$100,843.91</u>
Total:	\$996,433.42

### ADDITIONAL STATEMENTS OF LAW

1. Pursuant to N.H. RSA 421-B:3, it is unlawful for any person, in connection with the offer, sale, or purchase of any security, directly or indirectly: (a) To employ any device, scheme, or artifice to defraud; (b) To make any untrue statement of a material fact or to omit to state

a material fact necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading; or (c) To engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person. Higgins is in violation of this provision and committed fraud by managing Investor #5, Investor #6, and Investor #6a's Scottrade funds as an investment adviser without disclosing his lack of required licensure and without disclosing the fraudulent activity with respect to Investor #5's and Investor #6's other funds entrusted with Higgins.

2. Pursuant to N.H. RSA 421-B:3-a, in recommending to a customer the purchase, sale, or exchange of a security, a broker-dealer or broker-dealer agent must have reasonable grounds for believing that the recommendation is suitable for the customer upon the basis of the facts, if any, disclosed by the customer after reasonable inquiry as to his or her other security holdings and as to his or her financial situation and needs. Higgins is subject to and in violation of this provision for recommending to Investor #5, Investor #6, and Investor #6a high risk securities without reasonable grounds for believing that the recommendation was suitable.
3. Pursuant to N.H. RSA 421-B:4, I, it is unlawful for any person who receives any consideration from another person primarily for advising the other person as to the value of securities or their purchase or sale whether through the issuance of analyses or reports or otherwise: (a) To employ any device, scheme, or artifice to defraud another person; or (b) To engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon the other person. Higgins is in violation of this provision and committed fraud by managing Investor #5, Investor #6, and Investor #6a's Scottrade funds as an investment adviser without disclosing his lack of required licensure and without disclosing the fraudulent activity with respect to Investor #5's and Investor #6's other funds entrusted with Higgins.

#### UNDERTAKINGS

III. In view of the foregoing, Higgins agrees to the following:

1. Higgins agrees that he voluntarily consented to the entry of this Consent Order and represents and avers that no employee or representative of the Bureau has made any promise, representation, or threat to induce his execution.
2. Higgins agrees to waive his right to an administrative hearing and any appeal thereof under this chapter.
3. Higgins agrees that this Consent Order is entered into for the purpose of resolving only the matter as described herein. This Consent Order shall not be construed to restrict the Bureau's right to initiate an administrative investigation or proceeding relative to conduct by Higgins which the Bureau has no knowledge of at the time of the date of the final entry of this Consent Order.
4. Higgins may not take any action or make or permit to be made any public statement, including in regulatory filings or otherwise, denying, directly or indirectly, any allegation contained in this Consent Order or create the impression that the Consent Order is without factual basis. With regard to the Additional Statement of Facts and Additional Statements of Law contained in Section II above, nothing in this provision affects Higgins' testimonial obligations or right to take contrary legal or factual positions in litigation or other legal proceedings in which the State of New Hampshire is not a party.
5. Higgins agrees to permanently cease and desist from further violations under this chapter, pursuant to N.H. RSA 421-B:23.
6. Higgins agrees to a lifetime bar from any securities licensure in any capacity in the State of New Hampshire.
7. Higgins acknowledges that he owes restitution to Investor #1, #2, #3, #4, #5, #6, #6a, #7, and #8 in the following amounts:

Investor #1:	\$66,644.74
Investor #2:	\$70,152.36
Investor #3:	\$37,268.44

Investor #4 and #5:	\$28,757.65
Investor #6:	\$577,304.18
Investor #6a:	\$63,724.77
Investor #7:	\$51,737.37
<u>Investor #8:</u>	<u>100,843.91</u>
Total:	\$996,433.42

8. Higgins has agreed to pay restitution totaling six hundred and twenty-four thousand, seven hundred seventy-one dollars, and ninety-five cents (\$624,771.95) in the related criminal matter with the New Hampshire Department of Justice. Higgins agrees that any restitution paid as part of the related criminal matter should offset and reduce the amount of restitution owed to each investor pursuant to Undertaking #7 above.
  
9. Higgins agrees to pay a fine of one hundred thousand dollars (\$100,000) to the Bureau and cost recovery of twenty-five thousand dollars (\$25,000) to the Bureau.
  
10. Higgins agrees to notify the Bureau upon his release from prison for the related criminal matter. Higgins shall submit tax returns to the Bureau on a yearly basis upon release from prison and shall provide the returns to the Bureau within thirty (30) days of filing with the Internal Revenue Service. Higgins shall, until his complete satisfaction of the undertaking and sanctions contained herein, further notify the Bureau of any income or financial windfalls of any kind in excess of five hundred dollars (\$500) within thirty (30) days of receipt. If the Bureau determines, at any time, that Higgins can afford to make payments towards the outstanding restitution, cost recovery, and fines owed, the Bureau reserves the right to demand a payment or negotiate a monthly payment plan with Higgins. If Higgins and the Bureau cannot agree to a payment amount or payment plan amount, the Bureau or Higgins may petition the Director of the Bureau for a determination of the amount of the payment or payment plan terms only.
  
11. Higgins acknowledges that the fine, costs, and restitution payments outlined in this Consent Order are non-dischargeable debts for violations of New Hampshire's securities laws under

11 U.S.C. § 523(a)(19). Should Higgins file bankruptcy, Higgins agrees not to seek discharge of the fines, costs, or restitution payments outlined in this Consent Order.

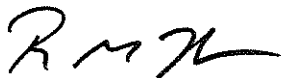
12. If Higgins does not meet the conditions set forth in this Consent Order, this Order shall be voidable by the Bureau and the Bureau may proceed with its enforcement action.

IV. In view of the foregoing, the Bureau deems it appropriate and in the public interest to accept and enter into this Consent Order. **THEREFORE IT IS HEREBY ORDERED THAT:**

1. Higgins permanently cease and desist from further violations under this chapter, pursuant to N.H. RSA 421-B:23; and
2. Higgins be permanently barred from any securities licensure in any capacity in the State of New Hampshire as presently codified in N.H. RSA 421-B.
3. Higgins pay restitution to investors totaling \$996,433.42, as described in Undertaking #7 above.
4. Higgins pay a fine of \$100,000 and costs of \$25,000 to the Bureau, as described in Undertaking #9 above.
5. Higgins comply with all other Undertakings outlined above.


**SO ORDERED.**

Executed this 10<sup>th</sup> day of August, 2015



Richard M. Higgins

Executed this 17<sup>th</sup> day of August, 2015



Barry Glennon, Director